



STATE OF WEST VIRGINIA
OFFICE OF THE ATTORNEY GENERAL
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CONSUMER PROTECTION DIVISION
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Press Release

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**ATTORNEY GENERAL DARRELL MCGRAW'S INVESTIGATION
OF RIDDLE & ASSOCIATES, P.C., A UTAH COLLECTION
AGENCY, NETS \$828,000 IN REFUNDS AND CANCELED
DEBTS FOR 5,000 WEST VIRGINIA CONSUMERS**

Eric Wilson, now a Charleston lawyer, was a law student in Grundy, Virginia, when he received an unsigned letter from Riddle & Associates demanding payment of \$200.31 on an old DIRECTV bill of \$102.31. If Wilson agreed to make the payment, the letter advised he would not be sued. Wilson was fairly certain he had already paid the bill when he moved and disconnected the service, but the extra \$98.00 that Riddle sought for "Attorney/Collection Cost" blinked red on the law student's radar screen. Thus, when Wilson filed a complaint with Attorney General McGraw's Consumer Protection Division on March 15, 2002, he wrote wistfully, "Who else are they doing this to???"

Today, Attorney General McGraw announced that his office entered into a settlement agreement with Jesse L. Riddle d/b/a Riddle & Associates, P.C., of Draper, Utah, which resulted in more than \$828,000 in canceled debts and cash refunds for approximately 5,000 West Virginia consumers. Specifically, Riddle has agreed to refund the \$67,251.65 it collected from 388 West Virginia consumers.

In addition, DIRECTV decided to close, with a zero balance, all of its West Virginia accounts that were referred to Riddle for collection. DIRECTV reported to the Attorney General that its action resulted in the cancellation of \$760,944.31 in delinquent DIRECTV programming accounts allegedly owed by 4,651 West Virginia consumers. Attorney General McGraw commended DIRECTV for fully cooperating with the investigation into Riddle's business practices and for the positive and significant role it played in this matter.

The complaints of Wilson and other West Virginia consumers prompted Attorney General McGraw's office to commence the investigation of Riddle that led to the settlement announced today. In the agreement, Riddle agreed to obtain a business license from the State Tax Department before collecting debts in West Virginia in the future. He also agreed to refrain from adding attorney fees or collection costs onto any amounts he collects in West Virginia in the future and to fully refund all such fees he has previously collected.

Although Riddle and other out-of-state collection lawyers have asserted that they are exempt from West Virginia's collection agency licensing laws, the State Tax Department and Attorney General McGraw's office have determined that only lawyers licensed to practice in West Virginia may qualify for the exemption. Even lawyers licensed to practice in West Virginia would not be exempt from the licensing requirement unless they are handling claims and collections in their own names and not operating a collection agency under the management of a layperson.

Attorney General McGraw stated, "Consumers should always be wary whenever a company seeks to collect more than the amount that is legitimately owed. West Virginia law prohibits a debt collector from adding collection or attorney fees to the

amount owed in virtually every circumstance, except in the collection of delinquent educational loans. State and federal law also prohibit debt collectors from engaging in a wide range of unfair or deceptive practices in the collection of debts."

Any persons wishing to file a complaint about a consumer matter or to alert the Attorney General about unfair or deceptive practices may do so by calling the Consumer Protection Hot Line, 1-800-368-8808.

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